

# Clean Energy Partnership - Meeting Notes

## Minneapolis Energy Vision Advisory Council

### 2024 Q2 Meeting Notes

Minneapolis City Hall Room 132

May 7, 2024

4:00 – 6:00 p.m.

#### Meeting attendees:

**EVAC members present:** Patty O’Keefe (Co-chair); Katie Jones (Co-chair); Timothy DenHerder-Thomas; Molly Janis Smith; Beth Tomlinson; Marcus Mills; Elizabeth Turner; Mauricio Leon; Jamez Staples; John Farrell (online)

**Staff/Guests present:** Kim Havey, City of Minneapolis; Al Swintek, CenterPoint Energy; Kat Knudson, CenterPoint Energy; Sofia Troutman, Xcel Energy; Izzy Ballet, City of Minneapolis; Luke Hollenkamp, City of Minneapolis; Jocelyn Bremer, City of Minneapolis; Lee Samelson, Community Power; Brian Krohnke, Community Power.

#### 1. Welcome and Introductions

Katie Jones is stepping down as co-chair and invited other EVAC members to reach out if they’re interested co-chairing.

#### 2. Review and Approve Agenda and Q1 Meeting Notes

The motion to approve the agenda was MOVED and CARRIED.

#### 3. Q2 Board Meeting Update

Patty commented that the board meeting was a substantial one: review of the 2022 annual report and how on track or not we are for meeting the climate goals; hearing from partners on climate goals; board members sharing their Partnership priorities. Largely not on track to meet the City’s goals except for municipal operations. Plus the utility partners shared their organizations’ climate goals which will be covered later in this meeting.

Patty asked the Partner representatives to summarize Board members’ priorities. Luke Hollenkamp:

- Mayor Frey: weatherization and electrification of homes. Block-by-block and Green Zone focuses, partnering with unions and utilities
- COO Margaret Anderson: for City operations – more electrification of fleet, innovation and the City leading by example with demonstration projects

- Council Vice President Chughtai: expand on the recent work by the Partnership, expressed concerns about the emissions from commercial and industrial, looking at what the next iteration of the Partnership looks like
- Council Member Cashman: continuing CM Goodman's interest in local solar, as well as other decarbonization, including of district systems

Kat Knudson gave CenterPoint's: in a nutshell it's innovation, not only carbon capture but what's in the Innovation Plan. Sofia Troutman shared Xcel's: Weatherization and electrification and distributed solar power and affordability.

#### 4. Climate Goals of Each Partner Organization

Luke gave a quick reminder that the City's goal is carbon-neutrality by 2050. When the goals are broken down by sectors, you can see how ambitious the City wants to be, especially in the electricity and fossil gas sectors. On electric, planning for carbon-neutrality by 2030 and gas by 2050, with a lot of work needing to be done in the 2020s, starting with a 20% reduction by 2025. At the current rate, the City would exhaust the carbon budget by 2031.

Sofia: Xcel's goal is to be net zero by 2050 including carbon-free electricity. Xcel has divided up by electric goals, gas goals, and transportation goals. 80% reduction in electricity by 2030, though it could be as high as 88%. For gas, lower 25% by 2030 with net zero gas service by 2050. For transportation, 1-in-5 cars being EV. Xcel doesn't have specific goals for MN or Minneapolis so shared the Midwest energy plan. By 2023 the emissions need to be 57% lower than the baseline of 2005. She shared a slide showing the energy mix between 2024 and projected 2030: remove coal, reduce natural gas, maintain nuclear, increase wind, solar, and demand response, plus Xcel will add a little battery storage by 2030. The projected emissions through 2030 slide showed a slight increase in emissions in about 2026 and 2027 which may have to do with nuclear. Sofia will look into this.

An EVAC member asked if a projected increased use in electricity, like with EVs, is included in the forecasting and Sofia confirmed it was. Another member asked if the Xcel goals were speaking to total carbon emissions or carbon intensity. Luke hazarded a guess it was carbon emissions.

Kat: CenterPoint's company-wide goal, as CenterPoint doesn't have Minnesota-specific ones, is being net-zero by 2035 for direct emissions resulting from CenterPoint operations and a portion of our suppliers. Then for our customers the goal is 20-30% by 2035, based on 2021 levels. She showed a slide listing the green hydrogen pilot, the ECO programs, and noted the pilots in the MN Innovation Plan will be helpful. Board member Todd Berreman had talked about having more levers to reduce carbon emissions in Minnesota than other states. In answer to question, Kat noted that the net zero goal of scopes 1 & 2 is throughout CenterPoint's operations while scope 3 (customer use) is for gas only and that 20-30%, it was her understanding, is as much emissions as from the scope 1 & 2.

Luke compared the utility goals against the City's goals, as the goals don't align and the entities are using different years as baselines. He noted that Xcel's gas goal was similar CenterPoint's, then goes beyond it in the future since CenterPoint doesn't have a net zero gas goal.

Xcel had said they could do a 50% renewable grid mix – the City wanted 60%+ to get to 100% renewable with 10% coming from green tariffs like Renewable Connect and 30% from local solar. The City gets to carbon-free faster than 100% renewable. In answer to a question, Luke said municipal operations are about 1% of total community-wide usage.

Luke explained getting to the City's community-wide gas goal doesn't have a tidy answer. As the Mayor says focusing on weatherization and electrification will help us. Given the number of tools in Minnesota, it's possible CenterPoint could overachieve in Minneapolis on the 20-30% goal, compared to a state like Indiana. Kat added that CenterPoint welcomes advice and recommendations from EVAC and other stakeholders.

And in answer to a question about where the City is struggling most and what the roadblocks are around gas, Luke said the City has some levers but doesn't have building performance standards like other US cities nor does it run a conservation program like the utilities. The City is dependent on the utilities. On the electric side electric use went down by a couple percent thanks to conservation measures but what reduced most significantly was because Xcel put a different product in, a cleaner product. And the same thing is true on the gas side. Conservation can't be the only solution.

Kat added that weatherization and reducing commercial and industrial energy use are both important to reducing emissions and cited the New Normal Campaign and how all sectors of customers, like churches and hospitality, are participating. The Innovation Plan will be critical and learning from the pilots, like the rooftop units.

Patty noted that the utilities are corporations and limited in what they can do because a company like CenterPoint has invested billions into a gas infrastructure system so they have a vested interest in continuing the status quo. Getting off gas is then an existential situation and utilities have to decide if they're going to make transformational change or just keep throwing money into keeping the system going with only incremental changes.

An EVAC member echoed the frustrations, saying that some levers could be better, such as multi-family housing and EDA process, those buildings could be achieving 60-80% better results but are only seeing 5-10% which is what's incentivized currently. She offered there are a lot of opportunities within EDA, a great program that's not impacting goals.

Another EVAC member mentioned that CenterPoint's goal doesn't include the City's electrification measures which would reduce CenterPoint's emissions in the city.

Responding to a question, Katie gave an update on the status of the Building Performance Standards legislation. Then Luke introduced Izzy Ballet who will stand up an Innovation Hub at

the City, providing the carrots to the community, bridging gaps in knowledge, proposing policy, and taking the City down the path of performance standards. Izzy shared she's had a lot of exposure around the country and Canada in commercial real estate and said she sees there also needs to be a shift with commercial owners wanting to move away from gas.

One of the EVAC members offered that decarbonization isn't the only thing that matters, but how we do it does too: affordable, equitable, creates jobs, creates wealth. He touched on the differences in the business models and that this is nothing personal. Xcel has a monopoly and we're not asking them to stop selling energy but asking the "how" questions. When we look at the Xcel chart, we're close on the carbon goal without making changes to their business. On the gas side, we're asking CenterPoint to stop selling gas and he thinks it important to talk honestly that this is not just changing some technology but the control of billions of dollars of value. We're asking institutions to make substantial changes on how they do business, and he would like EVAC to have some real conversations about what that's going to take.

## 5. Partnership MOU

### City Priorities for Franchise Agreement and Partnership MOU

Luke noted a slight change to the agenda: the City thought they'd be able to deliver redlines yesterday to the utilities and then provide an update to EVAC today, but redlines aren't delivered to the utilities yet. This is due to the amount of input coming into the process from Council, community members, and the new EVAC recommendations delivered a few hours ago. The City wants to digest the recommendations and have a final EVAC recommendations document in hand to incorporate suggestions.

### EVAC Recommendations on Partnership MOU

The Co-chairs gave the background: a subgroup originally met six months ago to start discussing recommendations. While the hope was to finalize the letter today; the co-chairs will take notes and then will adjust the letter based on the conversation. Luke mentioned Jocelyn from the City Attorney's office is here today for clarifying questions.

Items discussed in review of recommendations document:

- "Establish a voting seat for a member of EVAC within the CEP" — in support: EVAC having a voting voice could allow more accountability. Having an EVAC member who can ask questions could bring a valuable voice. You feel you have say. As voting member, you can't be forgotten and often the little guy gets forgotten. A vote matters and other members of the Partnership would need to solicit your support.
- against a voting seat: having a voting member makes it political and this seems like a shift from the original understanding of EVAC. A member asked if it was appropriate for Hennepin County, for example, to instruct the City on how they should do their business. Luke noted the concern might be specific to governments, with the issue being one unit of government giving advice to another government outside normal channels.

Another member noted she works for a publicly traded company and can't appear to be lobbying, so she would need to see if she could still be involved in EVAC if this were to change, as opposed to providing technical advice as EVAC does now. If EVAC has a vote that seems to require modifying the charter.

- Items that went into these pros and cons were:
  - Discussion around difference between advisory and accountability.
  - Discussion about changing the charter
  - Discussion of community seat on Board vs a CBO having a voting seat and potential conflicts of interest
- “Make census block and neighborhood level data available”: Members thought this could be around energy consumption, program participation for energy efficiency, and census tract-level data. Luke suggested this seemed basically like the data in CenterPoint’s community profile dashboard.
- “Communication with media”: A member suggested maybe we can help translate or share with our networks instead of the media; usually the media knows what they want to go for. Another member noted that the City not hitting its goals is newsworthy, whether the media choose to pick it up or not.
  - Website: a member noted the Partnership website still has a fatal error. Luke: we’re aware of it, and none of Partners’ IT departments will touch it because it’s a WordPress site outside the Partners’ own websites, and raised the idea that a facilitator could help with this.
- “Increase responsiveness to community concerns” bullets: Members expressed support for the timeline and sharing information. A member noted EVAC doesn’t seem to have tapped into the potential in the room and suggested adding an annual retreat with a third-party facilitator.
  - Luke asked a clarifying question: are some of the recommendations proposed by EVAC really about EVAC not wanting to be an advisory group? If so, it would be helpful to state that directly. Discussion: what is the definition of advisory, how advice is given and information shared, plus looking at EVAC’s current charge. Acknowledgement that maybe the voting seat strays from an advisory role, but the City is not meeting its goals and EVAC’s expertise isn’t always listened to or asked for. EVAC doesn’t feel heard and doesn’t understand how its advice is being received, like if it’s being perceived as abrasive.
  - As part of a discussion of City commissions, Jocelyn pointed out EVAC isn’t a city-run committee.
- “Add Necessary Performance Metrics” bullets: discussion around a suggestion that the utilities should have goals in alignment with or exceeding the City’s goals and carbon budget, as well as more specific targets around emissions and electrification.
  - Sofia noted Partners in Energy takes a city’s goal and sees how the goals could be achieved, asks the question “how much can be reasonably covered?”, then look at what the gap is. Maybe an approach like this could be taken. A member

suggested then roadmap could be developed. Mauricio shared Hennepin County is participating in PiE.

- Kat noted the installed cost (under 3<sup>rd</sup> bullet) is usually not released because that's trade ally data.
- Discussion of what needs to go into MOU vs what can be done through the existing partnership work: A member shared the perspective that a lot of items have been brought up in the past and don't seem to go anywhere. This led to a discussion of asking why EVAC exists and what the MOU says. Jocelyn stated the charter language, noting the CEP Board created EVAC and said that, listening to the conversation, wondered if EVAC wants to change the structure to no longer be advisory.

Next steps: Patty and Marcus will incorporate the discussion and feedback. They'll send out an updated recommendation letter with a short turnaround for comments, then EVAC will vote it by email so the City can receive it by May 24<sup>th</sup>. In the meantime, the City will take this early draft into consideration.

**Meeting Adjourned**